

U.S. HOUSE OF REPRESENTATIVES
November 29, 2001

VOTE "NO" ON H.R. 3210, THE "TERRORISM RISK PROTECTION ACT"

INSURANCE LEGISLATION SHOULD NOT BE A VEHICLE FOR
ONE-SIDED LIABILITY LIMITATIONS

Dear Colleague:

When the House considers H.R. 3210, the so-called "Terrorism Risk Protection Act" tomorrow, we urge you to vote "No" on final passage if the anti-victim tort reform provisions are not removed. The bill was hijacked by the Rules Committee, which turned a bipartisan effort to provide a mechanism for spreading terrorism risk for the insurance industry into yet another vehicle to enact a one-sided "tort reform" agenda. Only this time, the effort is even more one-sided and anti-victim than we have seen before.

As a matter of fact, if enacted, section 15 of the legislation, entitled "Litigation Management," would constitute the most radical and one-sided liability limitations ever. Even worse, the provision bears little relationship to the issue of insurance and is not even limited to cases involving insurance coverage.

Congress would be saying to the future victims of terrorism that the most outrageous acts of gross negligence or intentional misconduct that lead to an act of terrorism are totally immune from punitive damages. Thus, if an airport screening firm hires a known terrorist who allows a weapon to slip on board a plane, this bill would protect that company from liability.

The bill also would limit the ability of the victims of terrorism to collect non-economic damages. This says to innocent victims that damages from loss of consortium can be ignored and damages for victims who lose a limb or are forced to bear excruciating pain for the remainder of their lives are not as important as lost wages.

The list of liability limitations in the bill which bear virtually no relation to do with the issue of safeguarding the insurance industry goes on and on. The bill federalizes each and every action involving terrorism, throwing more than 200 years of respect for federalism out the window. The bill takes away all judicial review relating to the issue of whether terrorism caused the injury, an unprecedented and very likely unconstitutional limitation on victim rights. It eliminates prejudgment interest, which takes away any incentive for negligent parties to reach settlements. It mandates collateral source, which forces victims to choose between seeking money from charities and pursuing a grossly negligent party in court. Furthermore, it caps attorneys' fees (under the threat of imprisonment), which limits the ability of victims to obtain the best legal help, without providing any comparable limitation on defendant's fees. All of these provisions are being in the complete absence of hearings or any committee consideration.

If you need further information on this issue, please contact our staffs or visit the Judiciary Committee website at www.house.gov/judiciary_democrats/demhome.htm.

Sincerely,

John Conyers, Jr.
Ranking Member
Committee on the Judiciary

John LaFalce
Ranking Member
Committee on Financial Services

Bobby Scott
Member of Congress

Zoe Lofgren
Member of Congress

Maxine Waters
Ranking Member
Subcommittee on Financial Institutions
and Consumer Credit

William D. Delahunt
Member of Congress

Max Sandlin
Member of Congress